Ceiling on trader's margin on medicines

2920. SHRI KARNENDU BHATTACHARJEE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government proposes to cap ceiling on the margin of medicines for traders;

(b) if so, the details of the medicines on which margin of traders will be reduced;

(c) whether it is only for generic medicines or the branded products as well, if so, the details thereof; and

(d) the steps to be taken by Government on availability of medicines on reduced prices?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) Prices of 74 Scheduled bulk drugs and formulations based thereon are fixed by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of para 7 of the Drugs (Prices Control) Order, 1995 (DPCO, 95).

The Government constituted a Committee under the Chairmanship of Joint Secretary (Pharma) to examine the issue of span of price control (including trade margin). Subsequently, a Task Force under the Chairmanship of Dr. Pronab Sen, Principal Advisor, Planning Commission was also constituted to explore options other than price control to make available life saving drugs at reasonable prices.

Based on the recommendations of the Committee under the Chairmanship of Joint Secretary (Pharmaceuticals) and the Task Force under the Chairmanship of Dr. Pronab Sen, Principal Advisor, Planning Commission as well as feedback received from other stakeholders the Government is likely to finalize the new Pharmaceutical Policy shortly. The issue of trade margin would also be addressed therein.

Suggestion of Punjab Government on import of DAP fertilizers

2921. SHRIMATI SUKHBUNS KAUR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether in view of the fact that Indian Agriculture still continues to be largely dependent on import of fertilizers, particularly DAP, the Government

of Punjab has lately suggested a long term policy for import, storage and distribution of phosphoric acid and creation of buffer stocks for such fertilizers;

(b) if so, what specific steps have been suggested by that Government; and

(c) what decision and action has been taken thereon;

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes Sir, The country is almost completely dependent on imported raw materials/intermediates for manufacturing phosphatic fertilizers. A reference was received from Government of Punjab with suggestion regarding import storage and distribution of phosphoric acid and creation of buffer stock of DAP.

(b) and (c) Imports of finished fertilizer except urea and fertilizers raw materials/intermediates including phosphoric acid are decanalised. The manufacturers are procuring these fertilizers inputs from the international market at the terms & conditions and price negotiated by them as per their commercial decision. The role of the Government is limited to deciding the fair price of these inputs for working out concession rates for decontrolled P&K fertilizers under the Concession scheme. In case of phosphoric acid, Government of India has decided to take normative price of phosphoric acid derived as per the formula suggested by the Expert Group linking it with the prices of DAP & ammonia in the international market and Baltic Dry Index (BDI) for working out concession rates of phosphatic fertilizers during the year 2006-07.

All the P&K fertilizers including DAP were de-controlled *w.e.f.*25.08.92. The State Government are required to tie up the required quantities with the manufacturers/importers of these fertilizers to ensure availability of these fertilizers in their respective State. However, Government of India also maintian buffer stock of DAP to meet any emergent demand. A quantity of 7.79 lakh Mt of imprted DAP was kept under buffer stock of DAP during the year 2005-06, out of which 1.28 lakh MT was kept in Punjab.